

# Fund Summary

OnePath Diversified Bond Index Trust

OneAnswer Frontier Investment Portfolio

30 June 2025

## Fund details

<b>Investment manager</b>	<b>OnePath Funds Management Limited</b>
<b>Fund code</b>	MMF1571AU
<b>Asset type</b>	Bonds - Global / Australia
<b>Region</b>	Global
<b>Fund size</b>	\$16.35 million as at 30 Jun 2025
<b>Commencement date</b>	15 Nov 2010
<b>Distributions</b>	Quarterly

## Investment objective

The fund seeks to track the return of a tailored diversified index representing a 30% allocation to the Bloomberg AusBond Composite 0+ Yr Index and a 70% allocation to the Bloomberg Barclays Global Aggregate Index (hedged to Australian dollars), before taking into account fees, expenses and tax.

## Investment strategy

The fund invests in Australian and international bonds by holding units in a range of underlying fund's and/or direct assets. The fund seeks to reduce credit risk in the portfolio by selecting only bonds with a sufficiently high credit rating and by diversifying the fund's holding across issuers. Futures may be used to gain market exposure without investing directly in fixed interest securities.

## Minimum time horizon

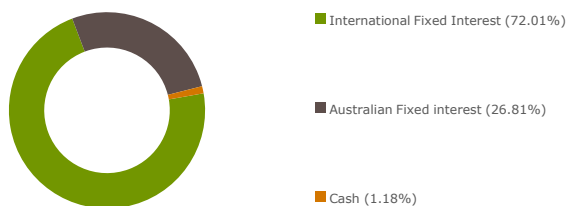
3 years

## Standard Risk Measure\*

The Standard Risk Measure (SRM) is based on industry guidance to allow investors to compare funds that are expected to deliver a similar number of negative annual returns over any 20 year period. The SRM for this fund is shown below:



## Asset allocation



\* For further information on Standard Risk Measures and the calculation methodology used, go to [onepath.com.au/personal/performance/product-updates.aspx](https://onepath.com.au/personal/performance/product-updates.aspx)

† Returns quoted use the unit price which is calculated using the net asset values for the relevant month end. The prices shown may differ from the actual unit price if an investor is applying for or redeeming an investment. Actual unit prices will be confirmed following any transaction on an investor's investment. Please note that all returns are after the deduction of management fees and expenses and assumes all distributions are re-invested. Where applicable, management fees have been deducted at the highest entry fee option rate. No allowance has been made for entry or exit fees.

‡ Benchmark (MorningstarAus BBG AuBd Cmp/BCGA TR HAUD) returns should be used for indicative purposes only. These returns may not be a true indication of this Fund's performance against its investment objective.

## Fund performance

As at 30 Jun 2025

	1 mth	3 mth	1 yr	3 yr	5 yr	7 yr	10 yr
	%	%	%	% pa	% pa	% pa	% pa
Total Return †	0.83	1.81	5.48	2.56	-0.74	1.05	1.63
Benchmark ‡	0.83	2.06	6.13	3.09	-0.36	1.56	2.18
Excess Return	0.00	-0.25	-0.65	-0.53	-0.38	-0.51	-0.55
Distribution	0.22	0.23	0.34	0.27	3.18	3.01	3.58
Growth	0.61	1.58	5.14	2.29	-3.92	-1.96	-1.95

Calendar year returns	YTD	2024	2023	2022	2021
Total Return †	2.78	2.20	5.10	-11.60	-2.49
Benchmark ‡	3.30	2.59	5.19	-10.99	-2.18
Excess Return	-0.52	-0.39	-0.09	-0.61	-0.31

## Top 10 holdings

Security	% of fund
United States Of America	14.74%
Australia (Commonwealth Of)	14.46%
China Peoples Republic Of (Government)	7.86%
Japan (Government Of)	7.00%
Victoria (State Of)	2.96%
France (Republic Of)	2.87%
New South Wales State Of	2.85%
United Kingdom Of Great Britain And Northern Ireland (G	2.48%
Germany (Federal Republic Of)	2.47%
Italy (Republic Of)	2.32%
<b>Total Top 10</b>	<b>60.01%</b>

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## Market and portfolio review

Macro data have been more stable than expected in recent months, despite uncertainty over US policymaking and its potential global impact. This stability in macro-outcomes has supported markets. Demand for both 10-year and 30-year Treasury bonds was solid in auctions, assuaging concerns about the US Treasury market despite fiscal sustainability concerns surrounding related to the "One Big Beautiful Bill Act" making its way through congress. Strong investor demand has supported credit markets, and we expect this trend to continue. Despite relatively tight valuations, investors should seek exposure to credit assets while keeping risks well-contained. Investment grade valuations have been tight on a spread basis. With slightly lower all-in yields, the recent credit rally has slowed somewhat, keeping credit trading in a tight range. Investors should remain neutral on US high yield. Strong inflows to the asset class have helped drive performance and credit fundamentals are solid, but valuations are tight. While encouraging economic data, the possibility of rate cuts, and the potential for trade deals give us reasons to remain optimistic, we continue to focus on quality when navigating today's market.

## Future investment strategy

EM local yields are attractive compared to developed market yields and investors should expect a weaker US dollar to boost EM currencies. A challenge to "US exceptionalism" could benefit EMs, as investors potentially rebalance capital away from the US. Lower all-in yields have slowed the recent rally in credit but strong technicals have supported the market - net supply has declined as COVID-era bonds mature, while supply remains steady compared to last year. Easing moves by the Federal Reserve would likely further support investment grade. Investors might favor short-term bonds, as central banks, including the Fed, are biased to cut rates and risk premia on longer duration bonds may increase with increased government spending. Credit markets remain robust, with spreads tightening reflecting underlying confidence in corporate fundamentals despite the challenging backdrop. High yield spreads are tight, but this could be justified if recession is avoided. While encouraging economic data, the possibility of rate cuts, and the potential for trade deals give us reasons to remain optimistic, we continue to focus on quality when navigating today's market.

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This information is current as at 30 Jun 2025 with the commentary current for the most recent quarter end (eg. March, June, Sept or Dec) however in some cases may be applicable for the preceding month or quarter end. Updated information will be available free of charge by contact Client Services on 133 665. The information is of a general nature and does not take into account your personal needs, financial circumstances or objectives. Before acting on this information, you should consider the appropriateness of the information, having regard to your needs, financial circumstances and objectives. Past performance is not indicative of future performance. The future value of investments may rise and fall with changes in the market. You should read the relevant PDS available at [onepath.com.au](http://onepath.com.au) and consider whether that particular product is right for you before making a decision to acquire or continue to hold the product.